

Memorandum



Date: December 11, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "Burgess", written over the printed name of George M. Burgess.

Subject: Supplement: Resolution Rescinding A.O. 4-41, and Authorizing I.O. 4-41 to Set Fees
for Permits for Public Works Projects

GOE

Supplement to
Agenda Item No. 3(B)

At the request of the Governmental Operations and Environment Committee (GOEC) on November 13, 2007, the Public Works Department (PWD) reviewed yearly costs and revenues associated with the issuance of permits for the installation of banners on the County's street light poles that are requested by both the private and public sector.

The function of installing banners on the County's street light poles is performed exclusively by private vendors. All expenses associated with this function are incurred by private vendors which charge directly to customers requesting this service. PWD does not participate in the creation or installation of banners. However, PWD ensures that the companies installing the banners comply with proper safety guidelines through enforcement of a permitting process. Based on industry averages, the private sector generates approximately \$500,000 in revenues per year for the installation of banners on County maintained street light poles. This is based on approximately 10,000 banners installed per year at an average installation fee of \$50 per banner.

The PWD charges a \$15 permit fee for the installation of banners on County maintained street light poles. Based on an average of 10,000 banners installed per year, the permit fee generates approximately \$150,000 per year in revenues which in turn are used to offset the cost associated with the maintenance functions of street light poles as a result of the installation of banners. Approximately 66% of the revenue generated comes from not-for-profits and County sponsored events with the remaining 34% comprised of commercial companies.

The PWD incurs \$215,200 per year in costs associated with the administration, inspection, and the maintenance of street light poles due to the installation of banners. The administrative costs are required for the review and issuance of permits and for the collection of fees. Staff provides administrative as well as technical support, averaging an annual cost of \$60,000. Inspections are also required to ensure that banners are upright and located at the permitted locations and that the installation is done using the proper hardware. Average inspections occur 20 hours per week costing approximately \$50 per hour for a total estimated cost of \$52,000 per year. Maintenance functions include outside contractual services to perform emergency response in the event banners become un-hinged and pose a threat to pedestrians. The contractual service rate is \$200 per hour and is used on average 100 hours annually costing approximately \$20,000 per year. Additionally, maintenance activities on the light poles include adjustments to the base hardware to ensure that structural integrity is not compromised due to the wear and tear from the wind loading action of the banners. The contractual cost for this function is \$83,200 based on \$200 per hour for an average 416 hours per year.

To adequately fund the maintenance of this service, the PWD is proposing to increase the permit fee to \$25 from the current \$15 for FY 2008-09 given that the current fee structure does not cover all the costs associated with performing this function.

A handwritten signature in black ink, appearing to read "Assela Cort", written over the printed name of the Assistant County Manager.

Assistant County Manager

